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## Ryan Plan Revives '12 Election Issues

By [DAMIAN PALETTA](#) and [KRISTINA PETERSON](#)

The next few weeks could determine whether the politics of the 2012 election will spill over into the budget talks of 2013.

House Budget Committee Chairman [Paul Ryan](#) (R., Wis.) plans on Tuesday to introduce a proposal to overhaul Medicare and Medicaid that is almost identical to the Republican presidential platform in 2012.



Congress opens a new chapter in the budget debate this week with two vastly different approaches to the role of government. Kristina Peterson reports on Lunch Break. Photo: Getty Images.

He will propose letting seniors buy private insurance or remain in Medicare, with premiums subsidized by the federal government, and turning Medicaid into a block-grant program. The moves would save hundreds of billions of dollars over 10 years, while potentially raising costs for Medicare beneficiaries and sharply cutting the number of Medicaid recipients. His budget would also repeal the White House's 2010 health-care law.

All three planks have been offered before and have won widespread Republican backing. The measures have

never advanced in the Senate amid opposition from Democrats.



Associated Press

Rep. Paul Ryan is proposing big Medicare and Medicaid spending cuts.

The proposals were a central focus during November's election, in part because Mr. Ryan was the Republican vice-presidential candidate and has championed them. Democrats believe these ideas were repudiated by voters, and that indeed their attacks on Mr. Ryan's plans helped secure Democratic victories in the White House and Senate. They are committed to using his platform again to try to defeat Republican candidates in 2014.

The Democratic Senatorial Campaign Committee said Monday it would target 14 House Republicans who might run for Senate seats in 2014 by trying to tie the

lawmakers directly to Mr. Ryan's budget proposal.

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These lawmakers are "preparing to walk the plank on the new Republican budget," DSCC executive director Guy Cecil told reporters on a conference call Monday. "We plan on holding them accountable."

Mr. Ryan said his proposal last year to block-grant Medicaid would have reduced spending by \$770 billion over 10 years, a roughly 17% reduction. His changes to Medicare would have saved \$205 billion over 10 years, he projected, a 3% cut. The impact would be even greater beyond 10 years, when health-care costs are

expected to accelerate.

"The president, I think, finally has realized that he needs to try to work with Congress, not against

Congress, to try to address some of these problems," said Rep. Tom Cotton (R., Ark.). Mr. Cotton is one of the Republicans whom Democrats plan to target for supporting Mr. Ryan's proposals.

The White House, which has consistently opposed the proposals, hasn't signaled yet how it will respond to Mr. Ryan's budget. Mr. Obama in recent weeks has tried to rekindle budget talks with Republicans—including Mr. Ryan—and might try to avoid political fisticuffs if it thinks it might hurt negotiations.

Mr. Ryan has said he would include the health-care changes as part of a package of reductions that would eliminate the deficit in 10 years, a top GOP priority. The White House in several weeks is expected to issue its own 10-year budget platform, but it hasn't detailed whether it would offer new changes to Medicare or Medicaid. White House officials have said their goal is to reduce the deficit but not eliminate it.

Medicare, a federal government-run health program mostly for seniors, and Medicaid, a combined state and federal program for the poor and the disabled, have been in budget-cutting cross hairs in recent years. They represent the biggest future drivers of the federal deficit and also a marker of where lawmakers stand on the role of the federal government.

Together, the programs will account for \$857 billion in federal spending this year, 24% of the budget, according to the Congressional Budget Office.

Medicare is primarily financed by payroll taxes, general revenue, premiums and taxes on benefits. Medicaid is financed by general tax revenue.

Many of the recent budget negotiations between Congress and the White House have sought more modest changes. House Speaker John Boehner (R., Ohio), in talks with the White House last year, sought \$600 billion in combined Medicare and Medicaid cuts over 10 years, about 40% less than Mr. Ryan's almost \$1 trillion in cuts.

The White House, as part of its recent overture to reach a deficit-reduction package, said it was willing to cut Medicare, Medicaid and other health-care costs by close to \$400 billion over 10 years, mostly by reducing the amount that hospitals and drug companies are paid for treating beneficiaries in federal programs. It hasn't budged much from that number in recent months.

—Louise Radnofsky contributed to this article.

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